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E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAQ](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 01/25/10

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- 3) Victory of Futenma relocation opponent in Nago mayoral election makes Henoko relocation "extremely difficult"

ASAHI (Top play) (Lead paragraph)
Janaury 25, 2010

The mayoral election in Nago City, Okinawa, where the point of contention was the relocation of the U.S. forces' Futenma Air Station (in Ginowan City, Okinawa), was held on Jan. 24. Neophyte candidate Susumu Inamine, 64, endorsed by the Democratic Party of Japan, the Japanese Communist Party, the Social Democratic Party, the People's New Party, and the Socialist Masses Party of Okinawa, who is opposed to the plan agreed upon by Japan and the U.S. to relocate the Futenma base to Henoko in Nago, defeated the incumbent

mayor who accepts the relocation plan, Yoshikazu Shimabukuro, 63, and was elected for his first term as mayor. The Hatoyama cabinet intends to decide on Futenma's relocation site by the end of May. Relocation to Henoko has now become extremely difficult. The number of eligible voters in this election was 44,896, and the voter turnout was 76.96 percent (74.98 percent in the previous election).

4) Hirano says gov't to decide on relocation site; Maehara insists on mulling every possible option

TOKYO SHIMBUN (Page 1) (Full)
January 25, 2010

Yesterday's mayoral election in the Okinawa prefectural city of Nago ended in the victory of Susumu Inamine, an independent opposed to accepting the planned relocation of the U.S. military's Futenma airfield in the island prefecture to the city's Henoko area. In this regard, Chief Cabinet Secretary Hirofumi Hirano stressed yesterday

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evening that the government will decide on where to relocate Futenma airfield based on its own judgment. "The government will have to make a decision on its own," Hirano told reporters in Tokyo.

The outcome of the mayoral election, however, is expected to make it difficult for the government to implement the current plan to relocate Futenma airfield to a coastal area of Camp Schwab in the city's Henoko area. "I will accept the inauguration of a mayor who won the election with support from local public opinion," Hirano said, implying that the government would respect the city's public opinion.

Also, Seiji Maehara, state minister for Okinawa and northern territories, made a comment yesterday evening, saying: "The mayoral election was not a poll of local residents over the propriety of Futenma relocation alone. We will have to find an alternative facility from among all the possible options." This indicates that the government should consider every possible option without precluding the current plan.

5) Result of Nago mayoral election increases possibility of Futenma base remaining in current location permanently; significant impact on U.S. force realignment expected

YOMIURI (Page 2) (Excerpts)
January 25, 2010

The selection of a new relocation site for the U.S. Marine Corps' Futenma Air Station has now become extremely difficult due to the victory of Susumu Inamine, who is opposed to accepting a plan to relocate Futenma to Nago, in the city's mayoral election yesterday. Inamine's victory is likely to endanger the 1996 Japan-U.S. agreement on the total return of Futenma, increasing the possibility of the base remaining in its current location indefinitely. The fate of the plan to relocate U.S. Marines from Okinawa to Guam, now underway in tandem with the Futenma plan, is certain to become unclear as well. The result is likely to have a tremendous impact on the entire U.S. force realignment plan.

"The Futenma relocation might fall through," a senior Defense Ministry official said gloomily after learning of the election results last night. "It will be difficult to decide on a relocation site by the end of May. The United States might also decide to maintain the status quo."

6) Okinawa governor to wait for government's response after victory of Futenma relocation opponent in Nago mayor election

ASAHI (Page 1) (Full)
January 25, 2010

In reaction to the outcome of the Nago mayoral election, Okinawa Governor Hirokazu Nakaima told reporters on the evening of Jan. 24: "The base issues are 200 percent the national government's responsibility," indicating his intention to take a wait-and-see attitude on the government's response.

Nakaima has so far accepted the plan to relocate the Futenma Air Station to Henoko. When asked if he will change his mind, Nakaima would only say: "I may need to sort out my thoughts. Since a candidate endorsed by the ruling parties who says 'no' has been elected, (the Henoko plan) should be scrapped under normal

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circumstances. I cannot answer this question without asking the government what it intends to do first."

7) Commentary: Victory of Futenma relocation opponent in Nago election forces government to rethink base policy

ASAHI (Page 1) (Full)
January 25, 2010

Hirofumi Goto, Naha General Bureau chief

The plan to relocate the Futenma Air Station to Henoko in Nago City has effectively been defeated more than 13 years after it was proposed. Although some supporters of Susumu Inamine accept the existing relocation plan, conflict among the citizens will be only be stirred up once again if the government insists on the Henoko relocation plan and attempts to make the new mayor change his mind.

Yoshikazu Shimabukuro is not the only one who was defeated in the mayoral election. The biggest loser is none other than Japan's policy on the military bases in the postwar period.

Inamine has criticized the economic development measures which are de facto rewards for accepting Futenma relocation, saying: "The number of impressive-looking buildings has increased but there is a shortage of doctors in the hospitals. The city will not be improved any better through one-time economic measures." A total of approximately 77 billion yen has been spent on Nago in the past 10 years. Yet, "people feel that the economic measures have reached their limits," according to Inamine.

In the 1950s, when U.S. military bases on the Japanese mainland were reduced by three-fourths with the restoration of Japan's sovereignty, the forcible expropriation of land for military bases increased in Okinawa on the contrary. Even after Okinawa's reversion to Japanese administration in 1972, the concentration of U.S. bases in Okinawa increased from 65 to 75 percent. After the rape of a schoolgirl by U.S. soldiers in 1995, the Japanese and U.S. governments announced that they would reduce the burden imposed by the bases, but the bases to be returned are mostly located in densely-populated southern and central Okinawa, and the plan is to build a new military base in Nago in the northern part of the prefecture. Nago's rejection of this plan also amounts to a vote of no confidence on the national government's method of imposing the burden on outlying areas.

Prime Minister Yukio Hatoyama has zigzagged repeatedly in his statements on this issue. There is a persistent view in Nago that "(the Futenma replacement facility) will end up coming back to Henoko."

Will it still be possible to implement the Henoko relocation plan? If the answer is yes, will the existing plan be modified? If the choice made by some 45,000 voters is to be the basis of the decision on the most important issue between Japan and the United States, they should have laid down all the conditions in advance.

It will not be easy to find a relocation site other than Henoko. However, the method of keeping the bases in Okinawa by handing out favors in the form of public works projects has reached its limit. Unless the structure that has propped up the Japan-U.S. security arrangements is reviewed, the base issues cannot be resolved.

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8) Okada: Henoko also a candidate for Futenma relocation site

YOMIURI (Page 4) (Abridged)
January 24, 2010

Foreign Minister Okada delivered a speech yesterday in Kuwana, Mie Prefecture, during which he indicated that the current plan to relocate the U.S. Marine Corps' Futenma Air Station in Okinawa Prefecture to a coastal area of Camp Schwab, a U.S. military base in the Henoko area of the island prefecture's northern coastal city of Nago, is also included in the list of options. "The current plan to relocate Futenma airfield to the coastal area of Henoko is still a candidate since we are not ruling out any possibility," Okada said.

9) SDP's Fukushima reiterates opposition to Futenma relocation plan

YOMIURI (Page 40 (Full))
January 24, 2010

Social Democratic Party President Fukushima, currently the Hatoyama cabinet's consumer affairs minister, delivered a speech yesterday at a party convention, in which she reiterated her intention to oppose the current plan based on an intergovernmental agreement between Japan and the United States to relocate the U.S. military's Futenma airfield in Okinawa Prefecture to a coastal area of Henoko in the island prefecture's northern coastal city of Nago. "I would like to work together with Prime Minister Hatoyama and People's New Party President Kamei toward a solution to the issue so a sea-based facility will not be built in the coastal area of Henoko," Fukushima said.

10) Okada aims for Nov. agreement on new form of bilateral alliance

NIKKEI (Page 2) (Full)
January 24, 2010

Foreign Minister Katsuya Okada, speaking at Kuwana and Yokkaichi in Mie Prefecture on Jan. 23, commented on talks between the Japanese and U.S. governments for deepening the bilateral alliance, saying: "There is a strong possibility President Obama will attend the Asia-Pacific Economic Cooperation (APEC) Leaders' Meeting, which will be held in Yokohama in November. It would be good if a new form of Japan-U.S. alliance could be confirmed then," expressing the goal of timing an agreement with the president's visit.

Additionally, he pointed out that "Japan and the U.S. must share an understanding of the security environment in the Asia-Pacific region and of how it will be 20 or 30 years hence." He analyzed the situation in China and North Korea, remarking that "it was necessary to review the role of the Japan-U.S. alliance." He also addressed the issue of relocation of the U.S. military's Futenma base: "Deterrence is an important part of the Marines' presence," reiterating a negative stance toward relocation of the base outside Japan. He stressed that the existing plan, under which the facility would be relocated to the coastal area of Camp Schwab, was also being considered.

11) Government sends letter to U.S. praising nuclear posture review

MAINICHI (Page 5) (Full)
January 25, 2010

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Foreign Minister Katsuya Okada revealed in a press conference on Jan. 22 that he sent a letter on Dec. 24 to the U.S. government conveying the Japanese government's view on the U.S. Nuclear Posture Review that the Obama administration plans to complete by the end of February as its new nuclear policy guidelines. In the letter, the Japanese government praised President Obama's advocacy of a world without nuclear weapons, while acknowledging the importance of nuclear deterrence, writing, "Japan is fully aware of its dependence on the U.S.'s extended deterrence (nuclear umbrella)." The government also stressed in the letter that it would not ask the U.S. not to reduce nuclear weapons in order to maintain nuclear deterrence.

12) U.S. financial regulation: Japanese banks geared up to observe

future moves

NIKKEI (Page 7) (Excerpts)

January 23, 2010

U.S. President Obama's recently released new financial regulation plan is aimed at limiting the expansion of the size of banks and their engaging in excessively risky trading activities. The U.S.'s basic stance of preventing financial institutions from pursuing highly risky trading activities has something in common with the international movement to reform financial regulations being pushed forward by financial officials of leading countries. However, it is undeniable that the U.S. stance is somewhat hasty.

Many countries are in trouble handling the two paradoxical issues of appropriately distributing funds to growth sectors through financial functions and preventing the occurrence of an economic bubble. There are perhaps lingering doubts that the U.S. government's clear-cut approach is divorced from reality.

State Minister for Financial Affairs and Postal Reform Shizuka Kamei told the press corps on Jan. 22: "It is only natural for the U.S. to adopt sound economic and financial policies, since the current financial crisis originated in the U.S." He stopped short of referring to the possibility of Japan following suit.

An executive at a megabank could only obtain several A4-size press release copies. He said: "All we can do is to closely watch (the U.S. government's) future moves. Since there are no details available, we are not in a position to examine the policy." An executive of another bank said: "Since Japanese banks have not been positively investing in investment funds, the impact of the new regulation would be minimal." At the moment, there is little concern that Japanese banks would be pressed to sharply scale down their operations.

13) Yonekura to assume post of Japan Business Federation

NIKKEI (Page 1) (Excerpts)

January 24, 2010

The Japan Business Federation (Nippon Keidanren) on Jan. 23 decided to appoint Hiromasa Yonekura (72), chairman of Sumitomo Chemical, as successor to the incumbent Chairman Fujio Mitarai (74). Yonekura is currently serving as the chairman of the Nippon Keidanren Board of Trustees, the number two post following the chairmanship. Many business leaders highly evaluate his management capability for his promoting globalization, such as launching a petrochemical complex

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in Saudi Arabia. Chairman Mitarai has determined that Yonekura is the right person to lead business circles in putting the Japanese economy on a new growth track.

Hiromasa Yonekura: Entered Sumitomo Chemical in 1960 after graduating from the Tokyo University Law Faculty. Assumed presidency after serving as senior managing director, etc. Serving as chairman since 2009. Chairman of the Nippon Keidanren Board of Trustees since 2008. Born in Hyogo Prefecture.

14) Ozawa totally denies involvement in wrongdoing

ASAHI (Top play) (Excerpt)

January 24, 2010

The special investigation team of the Tokyo District Public Prosecutors Office on the afternoon of Jan. 23 questioned Democratic Party of Japan Secretary General Ichiro Ozawa on a voluntary basis in connection with a possible violation of the Political Funds Control Law by his political fund management organization, Rikuzan-kai. After submitting to questioning as a suspect, Ozawa released a statement explaining the situation. Ozawa also held an unplanned press conference later on in which he again denied his involvement in any wrongdoing. "I want to fulfill my duties," Ozawa said in the press conference, expressing his plan to continue to serve as secretary general. Prime Minister Yukio Hatoyama has

accepted Ozawa's explanation and intends to continue to monitor the investigations. The investigation team is likely to conduct further investigations based on the explanations provided by Ozawa's during the questioning.

15) All eyes are on whether Ozawa will stay on or resign as secretary general

YOMIURI (Page 1) (Excerpts)
January 24, 2010

The fact that Democratic Party of Japan Secretary General Ichiro Ozawa was questioned as a suspect by the special investigation team of the Tokyo District Public Prosecutors Office is certain to deal a blow to the Hatoyama administration. Although the position of Prime Minister Yukio Hatoyama and others that Ozawa is innocent remains unchanged, there are concerns in the party over the House of Councillors election this summer. Political maneuvering within the party has also begun based on speculation that Ozawa will resign as secretary general.

16) Gist of LDP's new party platform

MAINICHI (Page 2) (Full)
January 25, 2010

The gist of the Liberal Democratic Party's platform for 2010 adopted in its annual convention yesterday is as follows.

(Recognition of present situation)

Reflecting on its defeat in the 2009 House of Representatives election, our party would like to make a fresh start, adopting as its political ideology a new type of conservatism suitable for a nation that must pursue progress while maintaining order and fulfilling its international obligations. We will squarely confront

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the national socialist administration, which ignores public opinion that opposes its intentions under the pretext of political leadership.

(Conservative political party in pursuit of progress)

We will speak of facts freely and actively with courage, hold consultations, and make decisions. We will make utmost efforts to manage the Diet fairly and make the government function in a humble manner.

(Basic view about policies)

We aim to establish a new constitution to enable Japan to offer contributions to the world. We are resolved to carry out our duties in line with the realities of the international community. We will build an autonomous and orderly market economy, and reconstruct the national economy by improving fiscal efficiency and revising the tax system.

(Image of Japan with pride and vitality)

The people should be independent and cooperate with one another. The government should implement policies that are fair to all people. The nation should fulfill its obligation to bring about global peace.

17) Former lawmaker Omiya leaves LDP

NIKKEI (Page 2) (Full)
January 25, 2010

Former House of Representative member Nobuhiro Omiya, 60, tendered on Jan. 24 his resignation to Liberal Democratic Party (LDP) Secretary General Tadamori Oshima at the LDP's headquarters. He plans to run in the House of Councillors election slated for this summer. Omiya, a former LDP staff member, was elected for the first time to the Lower House from the South Kanto proportional

representation bloc in the 2005 election but he lost his Diet seat in the 2009 election.

18) Japan, U.S. to launch joint research on smart power transmission systems

NIKKEI (Page 3) (Full)
January 25, 2010

The Japanese and U.S. governments plan to launch joint research on smart power grids, next-generation transmission systems. With the aim of rolling out smart grids in the Asia-Pacific region, a taskforce composed of public and private-sector experts from the two countries will hold its first meeting in late February.

Demonstration experiments will be started in Okinawa Prefecture and Hawaii. Japan and the U.S. hope to achieve positive results by the Asia-Pacific Economic Cooperation (APEC) Summit to be held in the U.S. next year and then expand the use of smart grids to other countries in the region.

In a meeting of APEC energy ministers in Fukui City in June, Japan as the chair of the APEC forum for this year will propose a demonstration project of low-carbon towns, in which the government plans to invest about one billion yen. By joining hands with the

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U.S., which will chair the APEC forum next year, Japan is willing to back up measures to counter global warming in the region.

Smart grids enable the monitoring of power supply and demand online from households, offices, and power plants to make a stable supply of electricity and energy saving possible. Smart transmission systems are indispensable to expanding the use of renewable energy such as solar power and wind power.

Japan and the U.S. will look into areas for improvement and measures for disseminating the systems at the taskforce meeting through the demonstration experiments. Taskforce members will discuss how to make use of renewable energy mainly in island regions. Japan and the U.S. also aim to take the initiative in setting international standards for smart grids. If the systems can be put into practice in island regions, the two countries will consider installing the systems in developing countries as assistance measures.

ZUMWALT